

## Message Text

UNCLASSIFIED

PAGE 01 STATE 251963  
ORIGIN PM-05

INFO OCT-01 ARA-14 ISO-00 OMB-01 TRSE-00 IGA-02 INT-05  
SS-15 SP-02 NSCE-00 EB-08 L-03 INRE-00 SSO-00  
/056 R

DRAFTED BY:DOD/ISA:LTGEN,FISH/PM/SAS:ASKOCHANЕК  
APPROVED BY:PM/SAS:ASKOCHANЕК  
ARA/AND:MBARNEBEY (SUBS)  
TREASURY:CCROSSWHITE (INFO)  
OMB:JEISENHOUR (INFO)  
PM/SAS:RTITUS

-----068073 211835Z /43/40

O R 201751Z OCT 77  
FM SECSTATE WASHDC  
TO AMEMBASSY CARACAS IMMEDIATE  
INFO USCINCSO  
AFAFC LOWRY AFB CO/SAAC  
CSA,DC  
CNO  
CSAF

UNCLAS STATE 251963

CORRECTED COPY (PARA 3, LINE 2 OMITTED)

E.O. 11652: N/A

TAGS: MASS, VE

SUBJECT: VENEZUELAN FMS PAYMENTS

REF: COMUSMILGPVEN SCVE-CO MSG DTG 061335Z OCT 77

1. REFTTEL ADVISED (1) THAT VENEZUELA MOD FULLY UNDER-  
STANDS REQUIREMENT TO PROVIDE PAYMENTS FOR FMS CASH CASES  
AS BILLED BY SAAC, AND (2) THAT VENEZUELA MOD STATES THAT  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 251963

EE TO LENGTHY IN-COUNTRY ADMINISTRATIVE PAYMENT PROCEDURES,  
FMS CASH PAYMENTS OF \$5 MILLION CANNOT BE MADE UNTIL  
DECEMBER 1977, WITH THE REMAINDER IN MARCH 1978.

2. THIS PAYMENT PLAN IS COMPLETELY UNACCEPTABLE. AS  
GENERAL FISH, DIRECTOR, DEFENSE SECURITY ASSISTANCE AGENCY

DISCUSSED WITH YOU, THERE ARE TWO METHODS TO MEET FMS  
CASH REQUIREMENTS:

A. OBTAIN A PRESIDENTIAL DETERMINATION AUTHORIZING DOD TO  
BILL UPON DELIVERY.

B. REALLOCATE FMS CREDITS TO COVER FMSCASH CASES INVOLVED  
AND IMMEDIATELY DRAW DOWN SUCH FUNDS TO MEET PAYMENT  
REQUIREMENTS.

3. A PRESIDENTIAL DETERMINATION IS NOT CONSIDERED A  
VIABLE OPTION. THEREFORE, LACKING THE CAPABILITY TO  
PROVIDE CASH IMMEDIATELY, VENEZUELA MUST AUTHORIZE A  
DRAWDOWN OF ALL UNDISBURSED CREDIT FUNDS. THESE FUNDS  
ARE AS FOLLOWS:

CREDIT ARRANGEMENT    AMOUNT AVAILABLE

721D	188,498.31
731D	557,601.85
741D	1,158,479.04
761D	5,644,325.00

ALSO, AUTHORIZATION MUST BE PROVIDED SAAC TO REALLOCATE  
AND UTILIZE CREDIT FUNDS SO MADE AVAILABLE FOR ALL FMS  
CASES REQUIRING FUNDS.  
UNCLASSIFIED

UNCLASSIFIED

PAGE 03      STATE 251963

4. GOV MOD AGREEMENT TO PROCEED TO DRAW DOWN CREDIT  
FUNDS AS DESCRIBED ABOVE MUST BE RECEIVED BY COB 25  
OCTOBER 1977. IN ADDITION, BY THAT SAME DATE, GOV MOD  
NEEDS TO AUTHORIZE LOCAL WASHINGTON REPRESENTATIVE TO  
SIGN NECESSARY PROMISSORY NOTES.

5. IF AGREEMENT TO PROCEED IS NOT RECEIVED BY 25  
OCTOBER 1977, DOD WILL ON THAT DATE SUSPEND ALL SHIPMENTS  
OF MATERIEL AND CONTRACTUAL PROGRESS PAYMENTS RELATED TO  
GOV AIR FORCE AND GOV NAVY FMS CASES NOT FINANCED WITH  
FMS CREDIT. VANCE

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MILITARY SALES, CREDIT AGREEMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 20-Oct-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01-Jan-1960 12:00:00 am  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977STATE251963  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** DOD/ISA:LTGEN,FISH/PM/SAS:ASKOCHANEK  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770391-1209, D770386-0586  
**Format:** TEL  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19771037/aaaabfls.tel  
**Line Count:** 106  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 58163a2a-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN PM  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 24-Aug-2004 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 842200  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** VENEZUELAN FMS PAYMENTS  
**TAGS:** MASS, VE  
**To:** CARACAS  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/58163a2a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009